

AMENDED IN ASSEMBLY JUNE 11, 2014

AMENDED IN ASSEMBLY AUGUST 7, 2013

SENATE BILL

No. 502

Introduced by Senator Block

February 21, 2013

An act to amend Section 10504.5 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 502, as amended, Block. University of California: bidding requirements.

Existing law requires the Regents of the University of California, except as specified, to let any contract for a project to the lowest responsible bidder. Existing law also provides that where the Regents of the University of California are of the view that a project of \$100,000 or less does not require the application of all provisions of law relating to competitive bidding by the university, the regents shall solicit bids in writing and award the work to the lowest responsible bidder or reject all bids.

This bill would raise this dollar threshold for the cost of a project to ~~\$1,000,000~~ \$750,000.

Existing law, until January 1, 2017, establishes a pilot program to authorize all campuses of the University of California, including the medical centers, to award best value contracts based on best value procedures, as specified, for projects over \$1,000,000. Existing law requires the University of California, for purposes of this pilot program, to establish a procedure for the prequalification of bidders, invite prequalified bidders to submit sealed bids as part of a solicitation for

bids, and to award the contract to the bidder whose bid is determined to be the best value to the university.

The bill would require the Regents of the University of California, with respect to projects that do not require the application of all competitive bidding provisions, to establish a procedure to qualify and rate a bidder for work to be awarded when the cost of the project exceeds ~~\$400,000~~ \$300,000 but does not exceed ~~\$1,000,000~~, \$750,000, as specified. *The bill would also require each campus or facility to publicly post a brief description of the project, the awarded amount, and contractor's name.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 10504.5 of the Public Contract Code is
2 amended to read:

3 10504.5. (a) Where the nature of the work, in the opinion of
4 the Regents of the University of California, is such that the
5 application of all of the provisions of this chapter in connection
6 with that work is not required, and the cost of the project does not
7 exceed ~~one million~~ *seven hundred fifty thousand* dollars
8 ~~(\$1,000,000)~~, *(\$750,000)*, the regents shall solicit bids in writing
9 and shall award the work to the lowest responsible bidder or reject
10 all bids.

11 (b) (1) The Regents of the University of California shall
12 establish a procedure to qualify and rate a bidder for work to be
13 awarded pursuant to subdivision (a) when the cost of the project
14 exceeds ~~four three hundred thousand dollars~~ *(\$400,000)* *(\$300,000)*
15 but does not exceed ~~one million~~ *seven hundred fifty thousand*
16 ~~dollars~~ *(\$1,000,000)* *(\$750,000)*.

17 (2) The procedures shall require a bidder to complete and submit
18 a qualification questionnaire. The qualification questionnaire shall
19 cover, at a minimum, the issues covered by the Model
20 ~~Prequalification~~ *Pre-qualification* Questionnaire developed in
21 1999 by the Department of Industrial Relations pursuant to
22 subdivision (a) of Section 20101. The procedures shall also require
23 a bidder to complete and submit a financial statement, unless the
24 bidder is a contractor who has qualified as a Small Business
25 Administration entity pursuant to paragraph (1) of subdivision (d)

1 of Section 14837 of the Government Code. A bidder who is
2 required to complete and submit a qualification questionnaire shall
3 include the general contractor and, if utilized, the electrical,
4 mechanical, and plumbing subcontractor, except that the
5 nonqualification of a subcontractor shall not disqualify an otherwise
6 qualified contractor.

7 (3) Each campus or facility shall adopt and apply a uniform
8 system of rating a bidder on the basis of the completed qualification
9 questionnaire and, if available, financial statements to determine
10 the minimum requirements permitted for qualification to submit
11 a bid. Each campus or facility may process qualification
12 questionnaires and financial statements on a quarterly basis to
13 qualify a prospective bidder for a period of one calendar year from
14 the date of qualification.

15 (4) *Upon award to the lowest responsible bidder, each campus*
16 *or facility shall publicly post on its Internet Web site a brief*
17 *description of the project and the awarded amount along with the*
18 *name of the contractor who is the lowest responsible bidder.*